

PIAGGIO

Sector: Industrials

NEUTRAL

Price: Eu1.62 - Target: Eu1.90

Mixed 4Q25 Results; Recovery Expected In 2026 But Visibility Remains Limited

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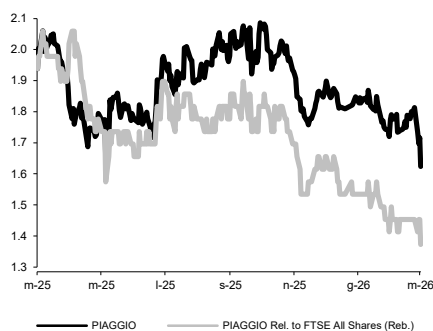
Stock Rating

Rating: Unchanged

Target Price (Eu): from 2.10 to 1.90

	2026E	2027E	2028E
Chg in Adj EPS	-9.1%	-7.1%	

PIAGGIO - 12M Performance



Stock Data

Reuters code: PIA.MI

Bloomberg code: PIA IM

Performance	1M	3M	12M
Absolute	-9.3%	-14.5%	-16.2%
Relative	-6.3%	-16.7%	-31.8%
12M (H/L)			2.09/1.62
3M Average Volume (th):			720.40

Shareholder Data

No. of Ord shares (mn): 355

Total no. of shares (mn): 355

Mkt Cap Ord (Eu mn): 576

Total Mkt Cap (Eu mn): 576

Mkt Float - Ord (Eu mn): 282

Mkt Float (in %): 49.0%

Main Shareholder:

IMMSI 50.6%

Balance Sheet Data

Book Value (Eu mn): 432

BVPS (Eu): 1.22

P/BV: 1.3

Net Financial Position (Eu mn): -492

Enterprise Value (Eu mn): 1,068

PIA closed 2025 with mixed results, showing a larger than-expected revenue drop (driven by ForEx and volumes) and higher net debt, while margins were stronger. The non-distribution of a dividend balance doesn't improve the reading. We anticipate a 2026 recovery on a combination of internal measures and external tailwinds, although competition, especially in Europe, causes uncertainty. With valuations almost in line with historical 5Y averages (NTMA EV/EBIT and P/E at 8.5x and 11x), we confirm our NEUTRAL rating. TP to €1.9 due to lower estimates, partly offset by the roll-over (26/27/28 at 60/30/10% vs. 26/27 at 80/20% previously).

■ **4Q25 results: mixed.** Revenues were €298mn (cons. €302mn), -14% YoY, reflecting negative ForEx (-7% due to Asian currencies) and adverse regional mix, as the -3% decline in volumes mostly came in EMEA & Americas (-13% for 2W and -23% for LCVs). EBITDA closed at €50mn (cons. €50mn), -5% YoY for a 16.7% margin (+1.5pp), as the top line headwinds were partly mitigated by lower industrial costs. EBIT and net profit of €16mn and €2mn (vs. cons. €11.0mn) benefitted from lower D&A. Net debt was €578mn (€534mn in FY24, cons. €562mn) amid worse NWC (payables and lack of cash-in of public grants) and despite lower CapEx. On the back of such results, the BoD resolved not to distribute a dividend balance (FY25 DPS therefore corresponds to the €0.04 interim dividend paid in 3Q).

■ **Soft EU, stable APAC, India accelerating.** By region: i) EU & Americas 2W (59% of FY25) revenues fell -15%, driven by -13% in volumes amid a market decline (strong 4Q24 in EU ahead of Euro5+ introduction and weak US), but also a lower market share (EU scooters ~16/17.5% in 4Q25/FY25 vs. 22/21.4% in 4Q24/FY24); ii) CV India (17% of FY25) revenues fell -10% due to -12% in ForEx, while volumes accelerated to +6% vs. -9% in 9M, helped by a boost from the cut in GST (Indian VAT); iii) APAC (15% of FY25) revenues declined by -14% YoY, again due to ForEx, while volumes were flat, showing stabilisation; iv) CV EMEA & Am. (6% of FY25) fell -17% YoY due to volumes (-23%) both on market weakness and volatile exports to LatAm; v) India 2W (3% of FY25) declined slightly by -3% but showed an acceleration in volumes (+13% vs. -12% in 9M) on an easier comp and the GST cut.

■ **2026 outlook.** We expect PIA to return to growth across all regions, with revenues up +7% YoY to €1.6bn. Growth is driven by volumes (+9%), especially in India, which on the other hand drives a negative regional mix with group ARPU -2% (partly on ForEx -2%). In-region, the mix is seen up slightly with flat pricing, as management is not interested in joining a pricing war. The year started positively: Europe up double-digit in Jan-Feb on easy comps, though seasonality is low; introduction of a white-space product (Aprila GT 400) and the expanded distribution network are tailwinds, but competition from Chinese players remains a specific driver of uncertainty. 4Q momentum in India from the GST rate cut continues. Profitability is strong, with management targeting a 16.7% EBITDA margin, driving our EBITDA to €268mn (+7% YoY). Net income is seen rebounding to €50mn, also leveraging a slight drop in D&A. Net debt is expected at €492mn, supported by €100mn in FCF on improving operating results, NWC inflow (incl. partial cash-in of public grants) and lower CapEx.

■ **Change in estimates.** We are cutting 2026 and 2027 EPS by 8% due to lower volumes in EMEA & Americas and APAC, although India is up, and also due to ForEx headwinds. Lower variable costs, including inputs, labour, and transportation, as well as fixed cost discipline, help cushion the impact, as highlighted by 2025 results.

Key Figures & Ratios	2024A	2025A	2026E	2027E	2028E
Sales (Eu mn)	1,701	1,502	1,603	1,702	1,793
EBITDA Adj (Eu mn)	287	251	268	292	315
Net Profit Adj (Eu mn)	67	34	50	73	98
EPS New Adj (Eu)	0.190	0.096	0.140	0.206	0.277
EPS Old Adj (Eu)	0.190	0.090	0.154	0.222	
DPS (Eu)	0.155	0.040	0.080	0.103	0.138
EV/EBITDA Adj	5.2	5.0	4.0	3.5	3.0
EV/EBIT Adj	10.0	12.5	8.9	6.9	5.5
P/E Adj	8.6	16.9	11.6	7.9	5.9
Div. Yield	9.5%	2.5%	4.9%	6.4%	8.5%
Net Debt/EBITDA Adj	1.9	2.3	1.8	1.5	1.2

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The main methods used to evaluate financial instruments and set a target price for 12 months after the investment recommendation are as follows:

- Discounted cash flow (DCF) model or similar methods such as a dividend discount model (DDM)
- Comparison with market peers, using the most appropriate methods for the individual company analysed: among the main ratios used for industrial sectors are price/ earnings (P/E), EV/EBITDA, EV/EBIT, price /sales
- Return on capital and multiples of adjusted net book value are the main methods used for banking sector stocks, while for insurance sector stocks return on allocated capital and multiples on net book value and embedded portfolio value are used
- For the utilities sector comparisons are made between expected returns and the return on the regulatory asset base (RAB)

Some of the parameters used in evaluations, such as the risk-free rate and risk premium, are the same for all companies covered, and are updated to reflect market conditions. Currently a risk-free rate of 4.0% and a risk premium between 5.5% - 6.0% are being used.

Frequency of research: quarterly.

Reports on all companies listed on the FTSEMIB40 Index, most of those on the MIDEX Index and the main small caps (regular coverage) are published at least once per quarter to comment on results and important newsflow.

A draft copy of each report may be sent to the subject company for its information (without target price and/or recommendations), but unless expressly stated in the text of the report, no changes are made before it is published.

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BUY: stock expected to outperform the market by over 25% over a 12 month period;

OUTPERFORM: stock expected to outperform the market by between 10% and 25% over a 12 month period;

NEUTRAL: stock performance expected at between +10% and -10% compared to the market over a 12 month period;

UNDERPERFORM: stock expected to underperform the market by between -10% and -25% over a 12 month period;

SELL: stock expected to underperform the market by over 25% over a 12 month period.

Prices: the prices reported in the research refer to the price at the close of the previous day of trading

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BUY:	31.58%
OUTPERFORM:	39.10%
NEUTRAL:	28.57%
UNDERPERFORM:	00.75%
SELL:	00.00%

The distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (75 in total) is as follows:

BUY:	52.00%
OUTPERFORM:	30.67%
NEUTRAL:	16.00%
UNDERPERFORM:	01.33%
SELL:	00.00%

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